

AMENDED IN ASSEMBLY JUNE 24, 2008  
AMENDED IN ASSEMBLY MARCH 24, 2008  
AMENDED IN ASSEMBLY JUNE 18, 2007  
AMENDED IN SENATE MAY 9, 2007  
AMENDED IN SENATE APRIL 11, 2007

**SENATE BILL**

**No. 593**

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**Introduced by Senator Margett**

February 22, 2007

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An act to add ~~Section 7202 to~~ *and repeal Section 7202 of the Public Contract Code, relating to public contracts.*

LEGISLATIVE COUNSEL'S DIGEST

SB 593, as amended, Margett. Department of Transportation: retention proceeds.

Existing law contains various provisions relating to contracts for the performance of public works of improvement, including provisions for the disbursing and withholding of retention proceeds.

This bill would prohibit the Department of Transportation from withholding retention proceeds when making progress payments for work performed by a contractor.

*This bill would provide for the repeal of these provisions on January 1, 2014.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 7202 is added to the Public Contract  
2     Code, to read:

3     7202. (a) ~~Notwithstanding any other law, the~~ *The* Department  
4     of Transportation is prohibited from withholding retention proceeds  
5     when making progress payments to a contractor for work performed  
6     *on a transportation project.*

7     (b) Nothing in this section shall alter, amend, or impair the  
8     rights, duties, and obligations of an original contractor, its  
9     subcontractors, and all subcontractors thereunder, relating to the  
10    construction of any public work of improvement as set forth in  
11    Section 7200 of the Public Contract Code.

12    (c) *The department shall promptly notify the appropriate policy*  
13    *committees of the Legislature if the state's best interests are*  
14    *compromised because retention was not withheld on a*  
15    *transportation project.*

16    (d) *This section shall become inoperative and shall be repealed*  
17    *on January 1, 2014.*